

## DEPARTMENT OF NATURAL RESOURCES

### *DIVISION OF FORESTRY*

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Forrest Cole, Forest Supervisor  
USDA Forest Service  
Federal Building  
Ketchikan, AK 99901

Dear Mr. Cole,

At the September 2010 Tongass Futures Roundtable meeting you presented a set of schedules outlining project planning on the Tongass National Forest for the next five years. The State of Alaska does not support this integrated 5-year schedule, as proposed. Although these schedules include some beneficial opportunities, the State of Alaska is concerned that the schedules fail to fully implement the 2008 Tongass National Forest Land and Resource Management Plan (TLMP) due to:

- 1) An insufficient fiber supply;
- 2) Underfunded line item budgets; and
- 3) A short supply of planning staff.

Fiber supply is directly related to jobs and the economic health of Southeast Alaska communities. Without sufficient supply, the remaining jobs in the milling, logging and various support industries will disappear. No amount of restoration projects or integrated resource services stewardship contracts will provide sufficient volume to maintain the current industry or grow a new one based only on young growth. The young growth resource is not ready and will not be available in sufficient volume for decades into the future. The state does not necessarily object to a transition to young growth in the future, provided that sufficient fiber can be continuously offered by the USFS to meet its statutory obligation under the Tongass Timber Reform Act of 1990 to meet timber demand. The State would caution the Forest Service to present realistic timeframes and scenarios for this process.

Funding levels for the activities proposed in the five project schedules is a concern, since it is not clear what the costs of implementing suggested activities might be. For example, the Central Kupreanof project in the Timber Sale Schedule is proposed as a stewardship contract and based on preliminary work completed on the project the value of the logs will not cover the cost of the services provided, thus a net investment per acre will be required by the Forest Service to complete the proposed activities. What is the funding source for this investment and does it prevent work from being completed in other areas of the timber or other schedules?

The 2008 TLMP Record of Decision (ROD) specifically directs the Forest Supervisor to complete a comprehensive cost share agreement with the State of Alaska within six months of the ROD approval for work associated with TLMP implementation.<sup>1</sup> This agreement has yet to be completed and the State is concerned about the amount of time this process is taking. Significant fiscal and personnel resources have been allocated by the State to this implementation effort and a cost share agreement needs to be in place.

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<sup>1</sup> 2008 TLMP Record of Decision, page 63.

The availability of Forest Service staff for interdisciplinary planning teams remains limited and has delayed completion of National Environmental Policy Act (NEPA) reviews for some timber sales, and has increased uncertainty for others. More staff is needed on the Tongass to plan and implement the timber sale and other desired program schedules.

### **Timber Sale Schedule**

Harvest volumes presented in the Timber Sale Schedule reflect a decision to stay in the roaded land base. This decision runs counter to a settlement agreement between the State and Forest Service establishing an exemption to the national roadless rule on the Tongass. The application of a de facto roadless rule on the Tongass will starve the last medium-sized mill out of existence and is not the management alternative selected in the TLMP ROD. Instead, TLMP prescribes a Timber Sale Program Adaptive Management Strategy that allows use of roadless areas in a prioritized manner as fiber demand increases.

The Timber Sale Schedule, as proposed, fails to provide the fiber supply necessary to support the timber industry and a thriving economy in Southeast Alaska. The Forest Service is charged with a statutory obligation to seek to meet market demand for timber from the Tongass National Forest, both the annual demand and demand for each planning cycle. Moreover, harvesting within the roaded land base without recognition of the Adaptive Management Strategy will negatively affect the economics of the unharvested suitable and available timber left standing in the project areas. Therefore, the State must conclude that unless the Timber Sale Schedule is modified to sufficiently increase the amount of timber to be offered, the USDA will be in violation of its statutory obligations under the Tongass Timber Reform Act.

In addition to sale economics, the physical location of the sale is also an important attribute to consider. Sales on Prince of Whales Island (POW), Kupreanof Island and nearby locations are critical. The planned Tonka sale near the community of Petersburg on Kupreanof Island should be a high priority for completion, since in the short-term this sale will play a critical roll in supplying wood for the local mills.

It would also be appropriate to consider longer-term sales to improve overall sale economics and to provide some stability in the timber sale program. The series of ten year sales directed by the previous administration should be implemented and provide sufficient volume (150-200 million board feet each) to ease the ongoing fiber supply crisis that the industry has faced for the last decade.

### **Pre-commercial Thinning Schedule**

The State supports the Forest Service's commitment to continued management of previously harvested areas in the Tongass through a well-funded and robust pre-commercial thinning program. Such a program provides jobs in the near term while preparing timber production young-growth stands for future commercial harvest and moves all young-growth stands towards a more functional ecological condition.

### **Young-growth Timber Sale Schedule**

The National Forest Management Act and TLMP require even-aged stands to be managed at rotations at or beyond the age of mean annual increment culmination except where salvage is prescribed after wind throw, where stands are in imminent danger from insect or disease attack, or cutting for experimental and research purposes.

The State is concerned that the proposed Young-Growth Timber Sale Schedule may unnecessarily compromise future yields from the young-growth resources on the Tongass by harvesting some stands prematurely. Paramount to a young-growth management strategy is obtaining accurate data concerning the amount, condition, and location of the young-growth resources across the Tongass. The State strongly supports completion of the Tongass-wide Young-Growth Inventory Analysis and the Prince of Wales Commercial Thinning Study before implementing a young-growth harvest strategy. Such analyses will

allow the Forest Service to establish a sustainable harvest level and more appropriately direct a pre-commercial thinning program. These analyses will also provide the timber industry information for re-tooling to allow value-added processing of young-growth resources, which is a goal we all support.

### **Wildlife and Watershed Restoration Schedules**

Wildlife and watershed restoration work is important; however, the Tongass currently has some of the cleanest water, the most intact ecosystems, and the most abundant fish and wildlife of any National Forest in the nation. The State strongly recommends that you coordinate with the Alaska Department of Fish and Game when setting wildlife and watershed restoration priorities.

The State is concerned that funding for the traditional timber sale program will suffer as a result of your decision to expand service and stewardship contracting on the Tongass to address restoration needs. Markets for potential products produced from the scheduled wildlife restoration projects are limited, and the timber industry requires capital for retooling and diversification before domestic processing or utilization of that fiber can occur on a meaningful scale. Restoration work should not undermine the ability of the timber program to meet timber industry needs in Southeast Alaska.

The State encourages the Forest Service to thoughtfully develop cost effective approaches for meeting the fish, wildlife, and watershed related objectives of TLMP while acknowledging the timber industry's current capabilities and market demands.

The State Tongass Team looks forward to our continued mutual efforts to successfully implement the 2008 TLMP.

Sincerely,

A handwritten signature in blue ink, appearing to read "John C. Maisch".

John "Chris" Maisch C.F.  
State Forester

Cc:

Beth Pendleton, Regional Forester, USFS R-10  
Governor Sean Parnell, State of Alaska  
John Katz, Director State and Federal Relations, Office of the Governor  
Randy Ruaro, Deputy Chief of Staff, Office of the Governor  
Commissioner Tom Irwin, DNR  
Ed Fogels, Director Office of Project Management and Permitting and Tongass Team Chair, DNR  
Clarence Clark, Tongass Coordinator/Forester, DOF/DNR  
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